

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 489 - SB 1247

February 22, 2017

SUMMARY OF BILL: Requires, by January 1, 2018, municipal utility boards that provide service outside the municipality's boundaries, but wholly within the boundaries of the state, to provide for representation of such customers on the board.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Due to multiple unknown factors a precise fiscal impact on local government expenditures cannot reasonably be determined; however, any increase to local government expenditures would be considered mandatory.

Assumptions:

- Applicable municipal utility boards will be required to provide for at least one seat on the board for representation of customers served outside the municipal boundaries.
- Such municipal utility boards may increase the number of seats on the board.
- Persons added to the municipal utility board for such representation will not receive any insurance benefits.
- The municipal legislative body will be required to reject or accept recommendations provided to fill seats on the municipal utility board. Such rejection or acceptance can be accomplished at a regularly-scheduled meeting of the legislative body.
- Due to multiple unknown variables, such as how many municipal utilities provide service to areas outside the municipal boundaries, how many such boards do not currently have the required representation, how many seats will be added to such boards, if board members are compensated or only reimbursed for expenses, and the extent of any such compensation or reimbursement, a precise fiscal impact on local government expenditures cannot reasonably be determined; however, any increase in local government expenditures would be considered mandatory.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- The proposed legislation is only applicable to municipal utility board membership and will not result in any significant impact to commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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